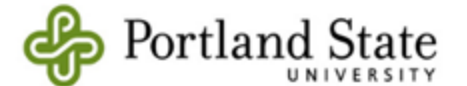


Overview of Oregon's Public Universities

Presented to the House Committee On Higher
Education and Workforce Development

January 23, 2025



Note: The following slides were created in spring 2023 as a supplement to the Oregon Council of Presidents' presentation to the Joint Committee On Ways and Means Subcommittee on Education.

These slides and the corresponding data and charts will be updated for the 2025 Regular Session ahead of the public universities' budget presentation to a subcommittee of the Joint Committee On Ways and Means.

What do public universities do for Oregon's communities?

**Create
Local
Jobs**

**Grow Tax
Revenues**

**Increase
Civic
Engagement**

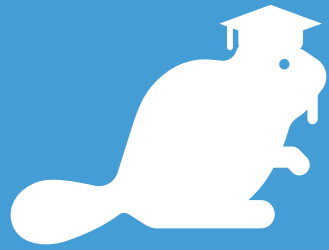
**Improve
Social
Mobility**

**Improve
Public
Health**

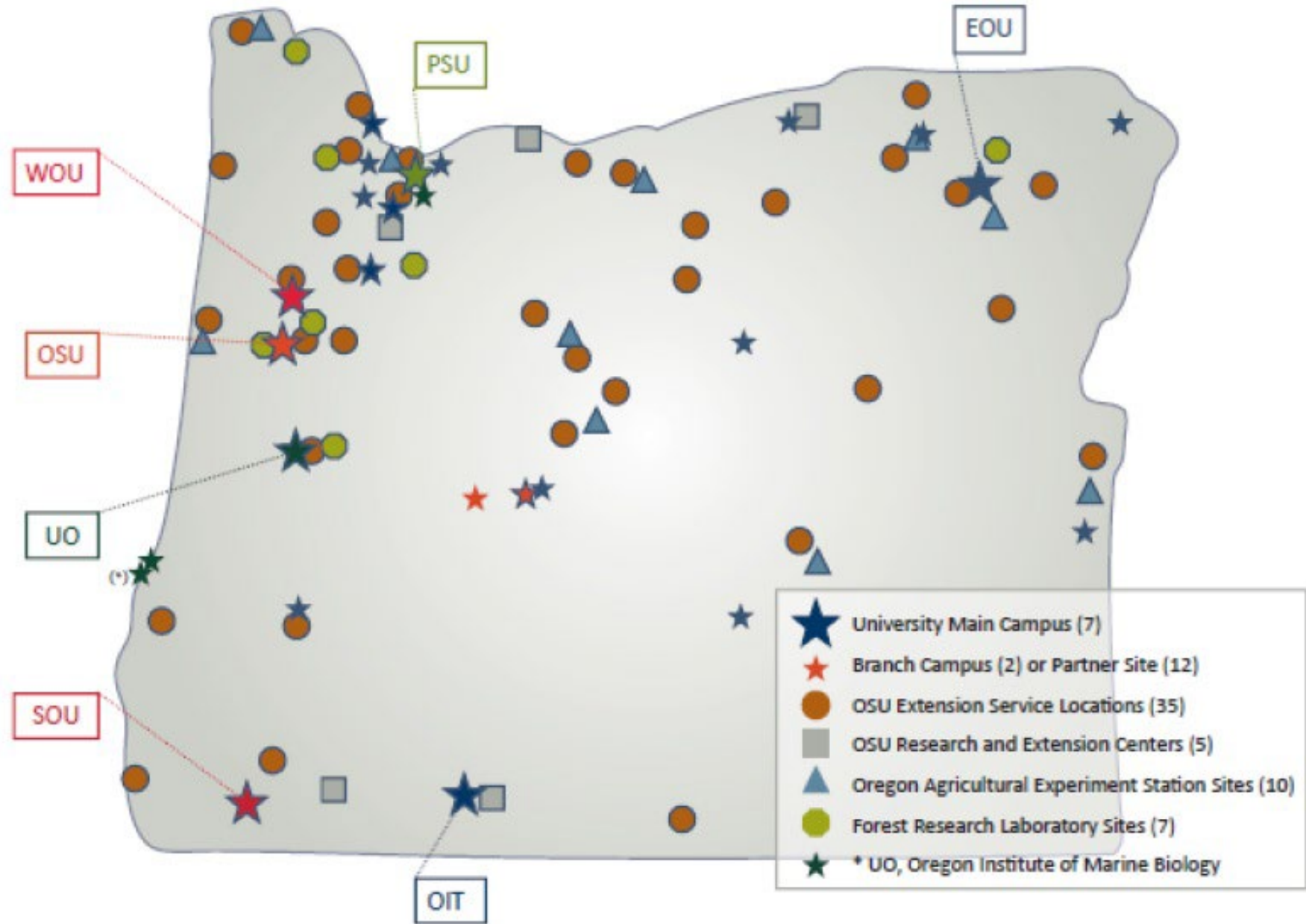
**Conduct
Important
Research &
Development**

**Modernize
& Diversify
Oregon's
Educated
Workforce**

**Fill
Critical
Workforce
Shortages**



Public Universities Are Present in Communities All Across Oregon

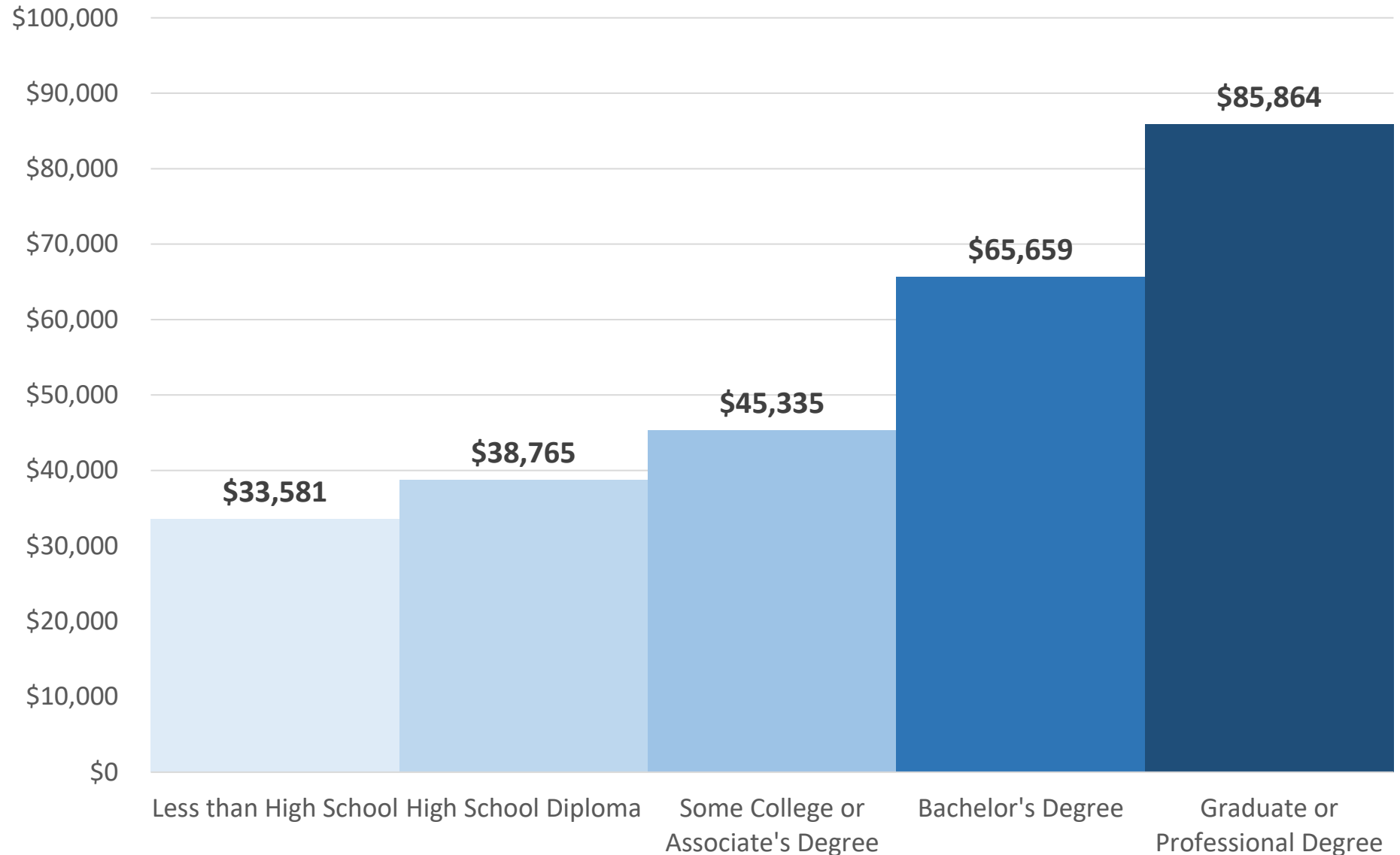




Public Universities Improve the Social Mobility of Oregonians

Source: U.S. Census Bureau, 2019-23 American Community Survey Five-Year Estimates; Table B20004: Median Earnings in the Past 12 Months (in 2023 Inflation-Adjusted Dollars) by Sex by Educational Attainment for the Population 25 Years and Over.

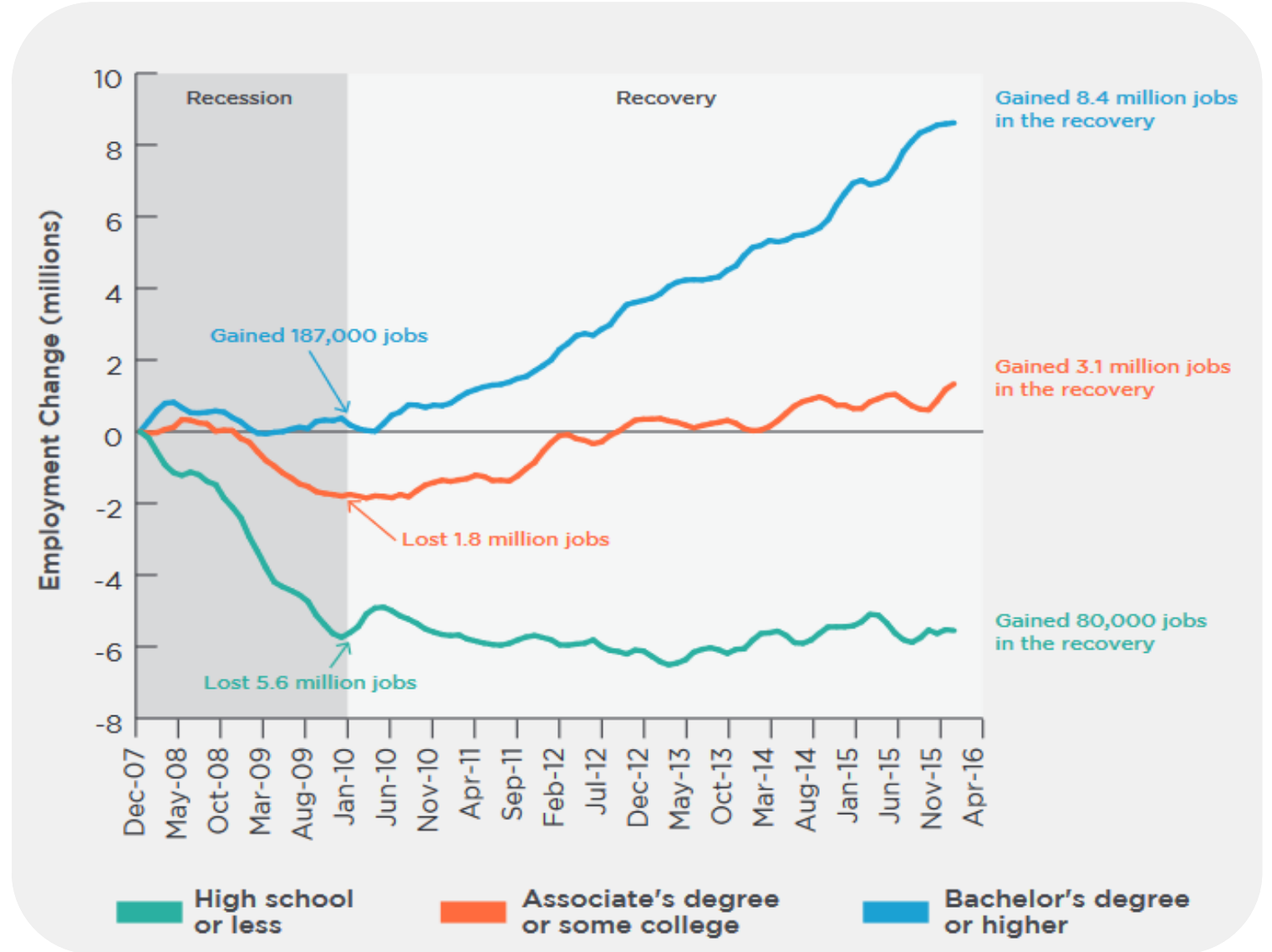
Oregon Median Annual Earnings by Educational Attainment for Adults 25+ (2023, Five-Year Estimate)





Higher Education Helps to Protect Working Families from Economic Downturns

Source: Carnevale, A.P., Jayasundera, T., & Gulish, A. (2016). *America's Divided Recovery: College Haves and Have-Nots*. Washington, D.C.: Georgetown Center on Education and the Workforce. Retrieved September 16, 2022 from <https://cew.georgetown.edu/cew-reports/americas-divided-recovery/#resources>.





Higher education
has a
positive impact on
the overall
**health &
well-being**
of graduates.

Source: U.S. Department of Health,
Office of Disease Prevention and Health
Promotion, *Social Determination of Health
Literature Summary*: "Enrollment in Higher
Education." Accessed April 4, 2023.

College and university graduates are more likely than high school graduates to:

- **Have better self-reported health;** and
- **Exercise, drink less alcohol, and seek preventative health care when needed;**

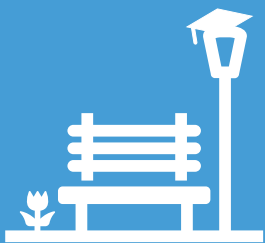
And are less likely to report conditions such as:

- **Heart disease;**
- **High blood pressure;**
- **Diabetes;**
- **Anxiety; and**
- **Depression.**



Universities
Create **Jobs**

Oregon's seven public universities directly employ **21,916** faculty and staff, **12,467** student employees, and support **thousands** more indirect and induced **jobs** across the state.



Universities Contribute to Oregon's **Local Economies**

Sources: Most recent university economic impact statements and analyses available. ECONorthwest, *Oregon Technical and Regional Universities: Economic Contributions Final Report* (January 2020); <https://www.uoregon.edu/impact>; ECONorthwest analysis of 2016-17 Oregon State University expenditure data, visitor data, student enrollment data; Portland State University, *Economic Impact Report* (2019).



Oregon public university
operations contribute
\$7.5 billion
to Oregon's state
and local economies.



Oregon's public universities conduct high-quality research that **benefits Oregon's students and its economy** by:

Developing a 21st Century Workforce

Making New Discoveries

Introducing New Technologies

Increasing Employment in Communities

Attracting Global Talent that Adds to the State Tax Base

Creating Business Opportunities & Supporting New Companies

Building New Infrastructure & Creating Construction Jobs

Oregon's public universities bring the **skills, expertise, and innovation** of higher education to **improve the quality of life for Oregonians and their communities.**

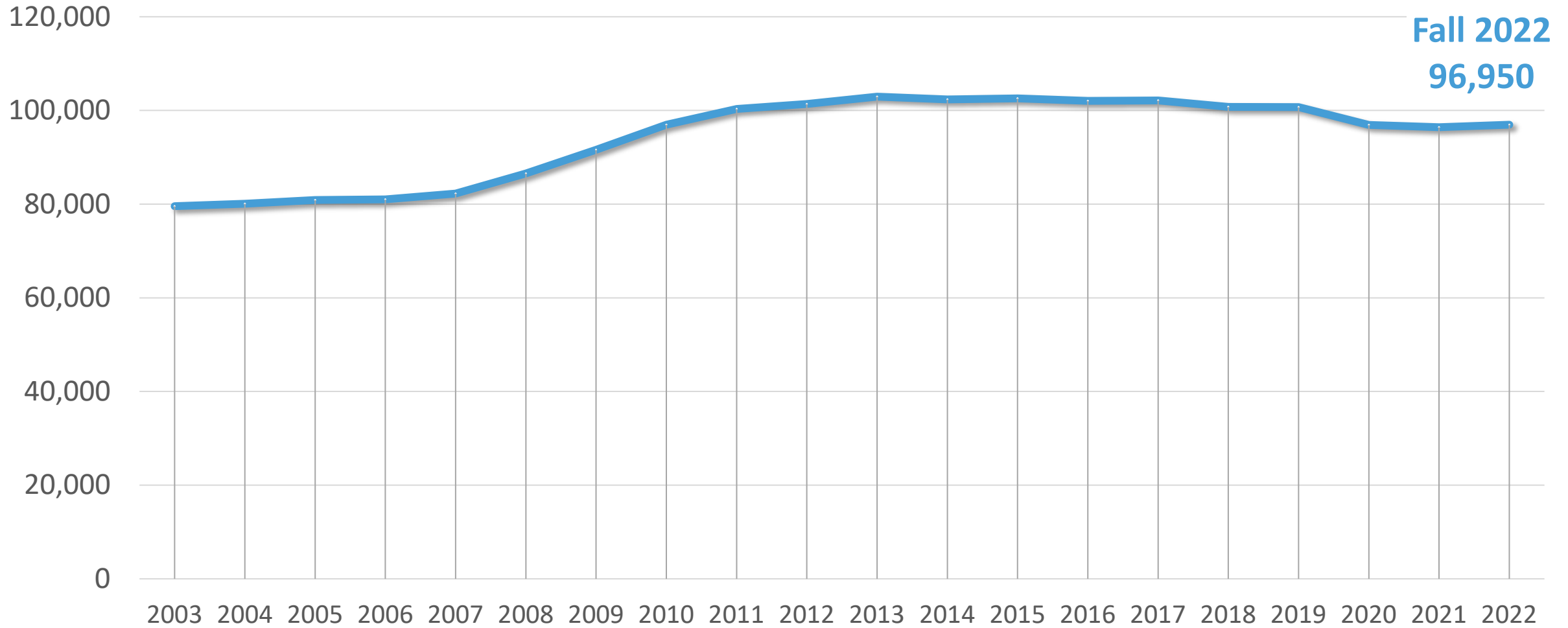


The students we serve



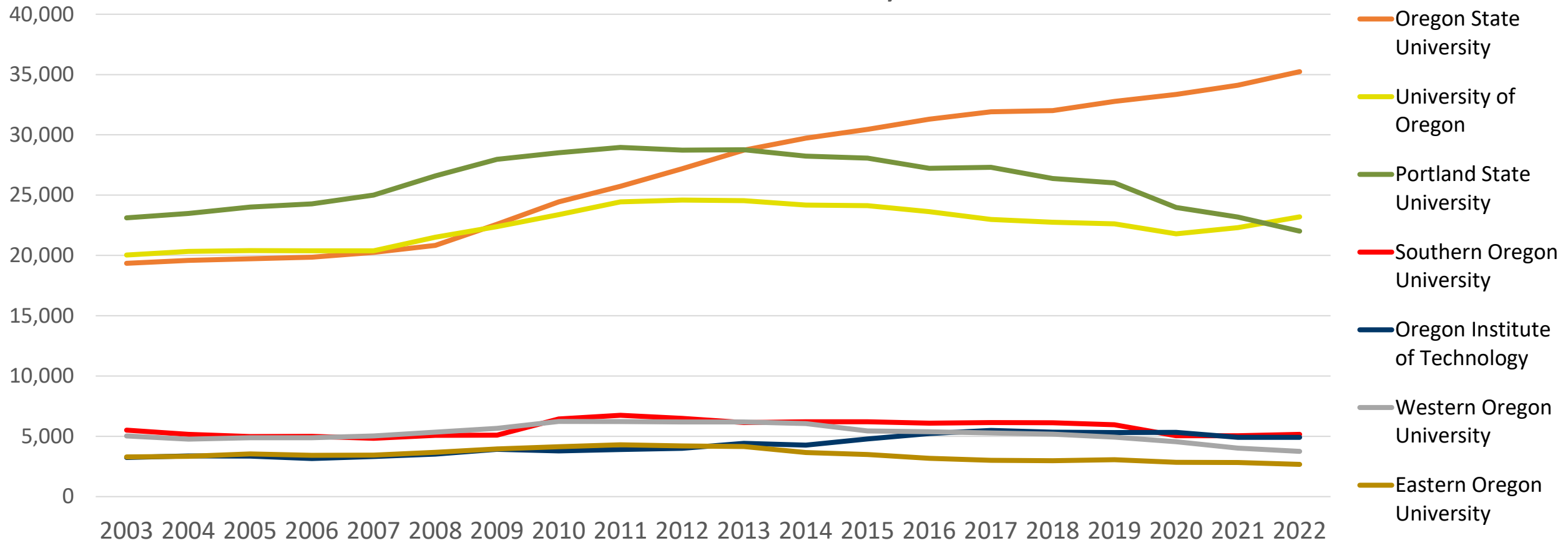
Enrollment

Total Public University Fall Term Enrollment 2003 to 2022 Student Headcount



Enrollment

Public University Fall Term Enrollment 2003-2022 Headcount by Institution

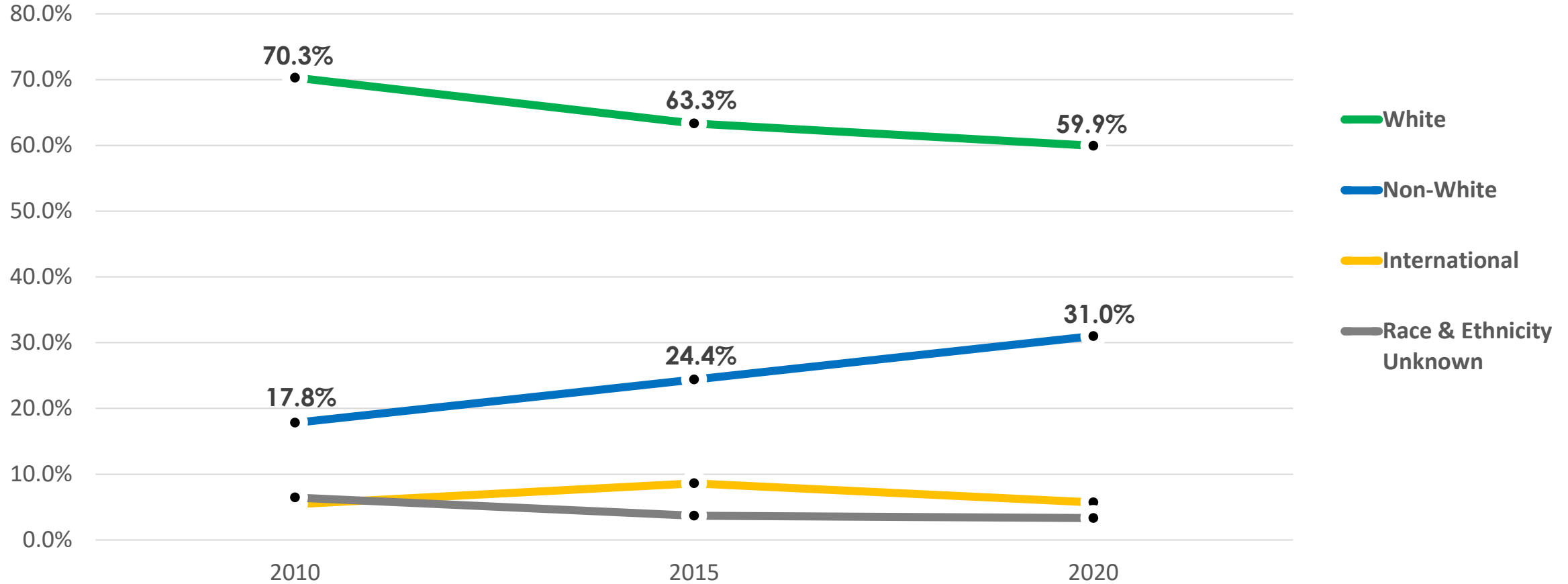


Fall 2022 Headcounts

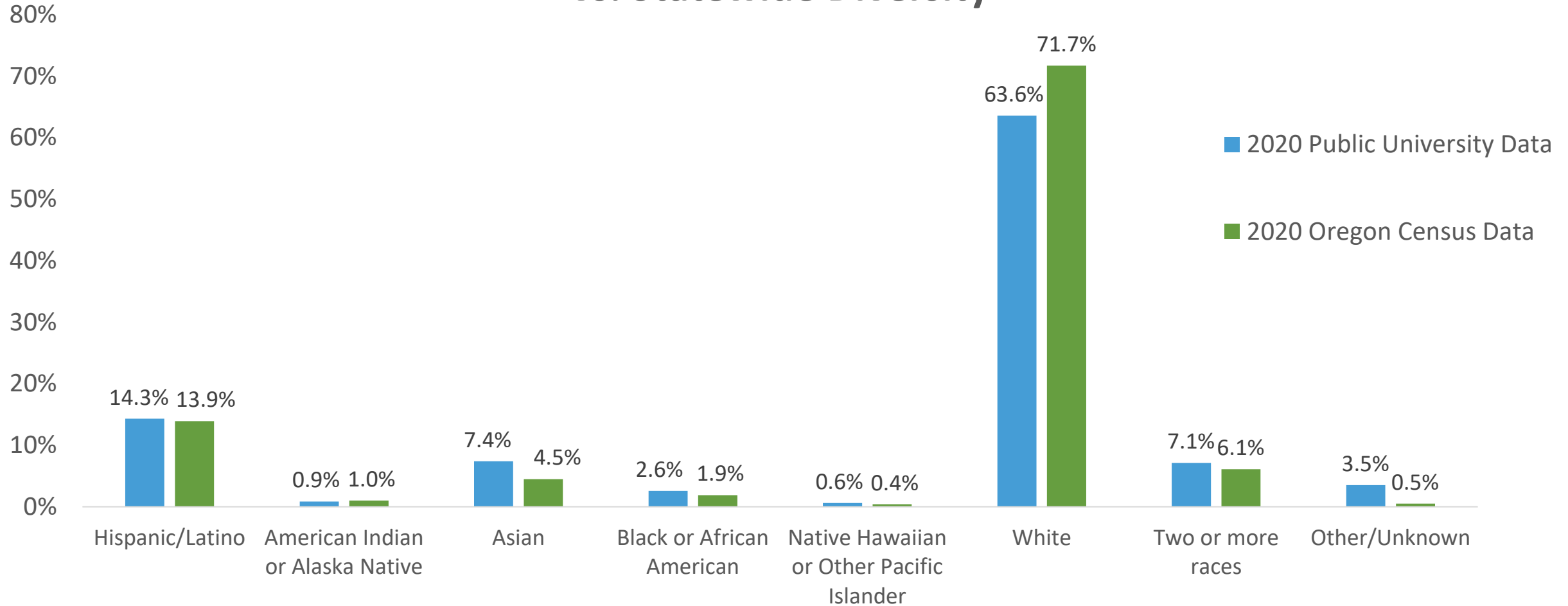
OSU	UO	PSU	SOU	Oregon Tech	WOU	EOU
35,239	23,202	22,014	5,156	4,913	3,752	2,674

Sources: HECC Analysis, Oregon University System 2013 Fact Book
Includes resident and nonresident students

Oregon Public Universities Fall Term Headcount All Students* by Race/Ethnicity



2020 Public University Student Diversity vs. Statewide Diversity



Sources:
United State Census, Racial and Ethnic Diversity in the United States: 2020 Census;
National Center for Education Statistics, Integrated Postsecondary Education Data System

Note: 5.7% of students identified as “nonresident aliens” (international students) The 2020 Public University Data as shown does not reflect these students to align properly with Census data.

Diversity

Among Oregon's 77,000 resident public university students in 2020-21

21.2%
were
Pell-eligible

17.5%
were OOG
recipients

34.9%
received institutional
financial aid

55.6%
were
women

31.2%
were
25 or older

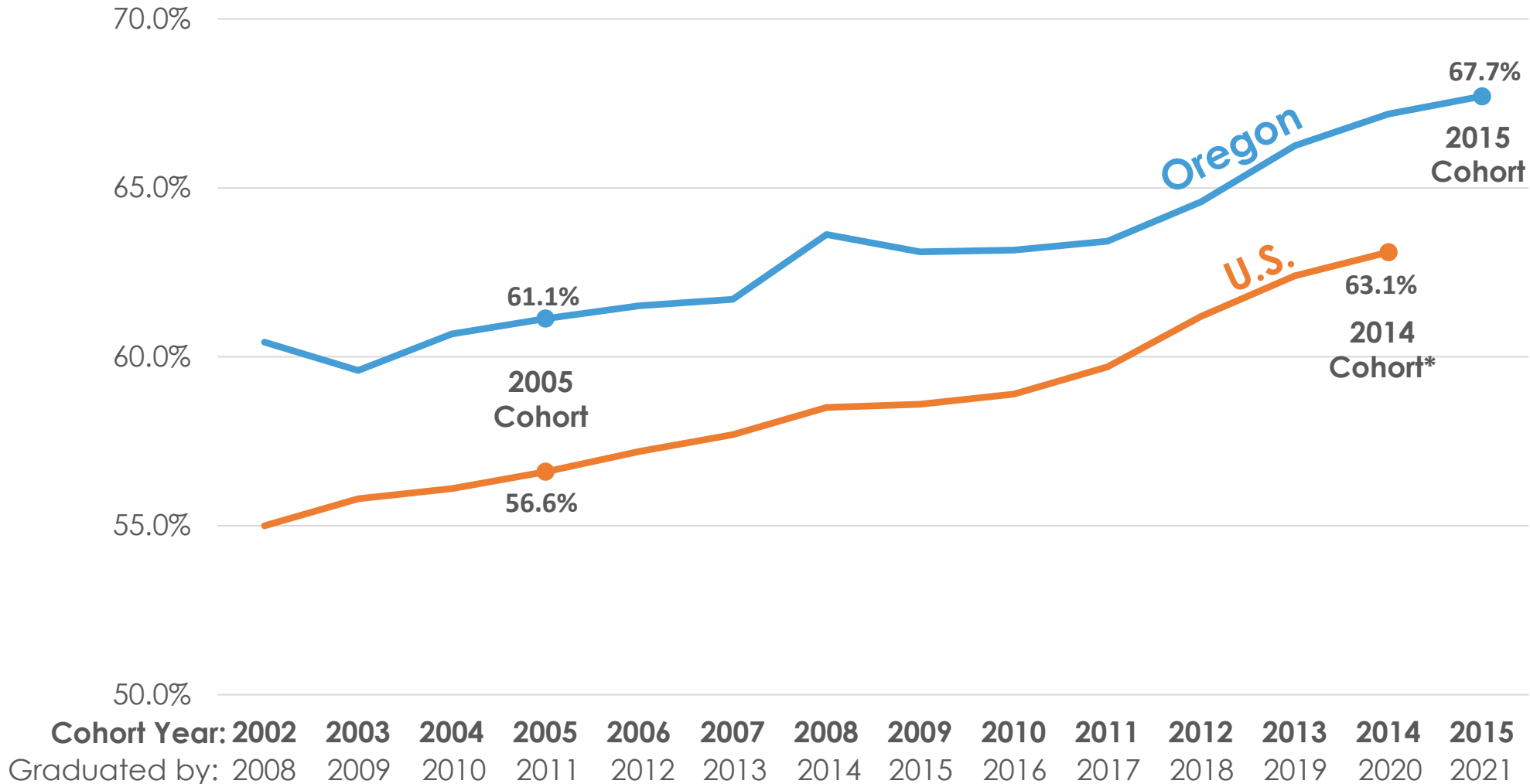
21.2%
of resident technical &
regional university* students
came from rural areas

Graduation

Source: Higher Education Coordinating Commission;
U.S. Department of Education, National Center for Education
Statistics, Integrated Postsecondary Education Data System

Combined Public University Completion Rates

(Percentage of New, Resident, First-Time, Full-Time Students
Who Earn a Bachelor's Degree Within Six Years)



*National completion data for 2015 cohort not yet available

Equity

- Oregon's seven public universities share a commitment to equity, access, and quality for students, faculty, and workers.
- While nearly 1 in 3 students on Oregon public university campuses are students of color, persistent equity gaps remain in enrollment, retention, and completion.
- **Increased investments in public universities will allow campuses to maintain or expand programs and services that work to close these gaps and improve educational outcomes for traditionally underrepresented and underserved students.**

Cultural Competency

Pursuant to ORS 350.375, each of Oregon's seven public universities established a process to implement cultural competency standards for the university and its employees by:

- 1) Assessing, compiling, and coordinating existing DEI efforts and programs;
- 2) Establishing assessments and measurements of DEI progress; and
- 3) Elevating DEI efforts into university leadership agendas.

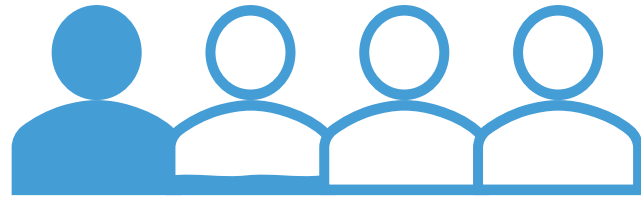
Under the standards, each university increased training and considers DEI and cultural competency standards within hiring processes.



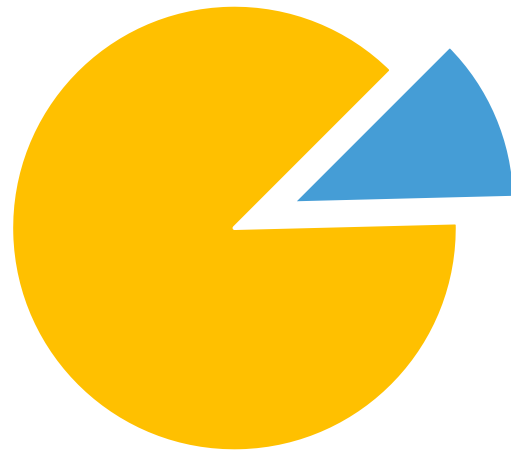
Institutional Aid from Public Universities

Source: HECC, 2023 Financial Conditions Report
(March 2023); HECC Survey Data

In Fiscal Year 2021



28.5%
of students
received some form
of institutional aid.



\$157.6M
of total tuition & fee dollars
were put back into
student pockets through
institutional remissions.



Student-Focused Funding Model

Since 2015, Public University Support Funds have been distributed to the public universities using an **outcomes-based funding model** that incorporates an equity lens and rewards student success and completion. The model incentivizes improved graduation rates among traditionally underrepresented student groups and awarding degrees achieved in high-demand fields.

Increased state funding
is needed to
sustain investments in
programs and services
for traditionally
underserved students
who make up a
growing share of
public university students.



Decades Behind: Oregon's Higher Education Funding Gap

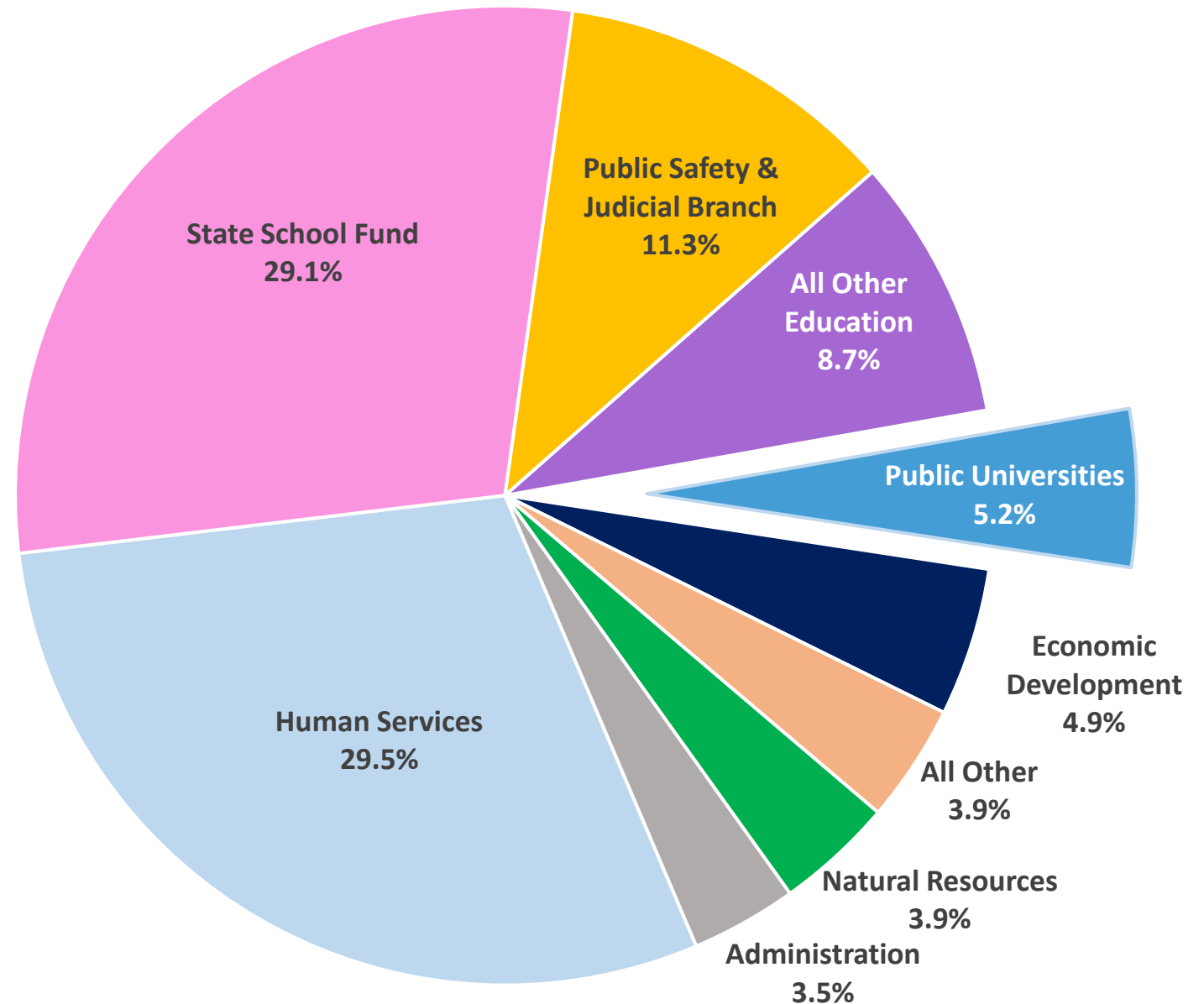
30 years ago, Oregon covered over two-thirds of public university costs.

Today, it's just a quarter.

The failure to keep pace with essential costs has shifted the burden of paying for public universities onto students and their families.

Public Universities Made up 5.2% of the State Budget in 2021-23

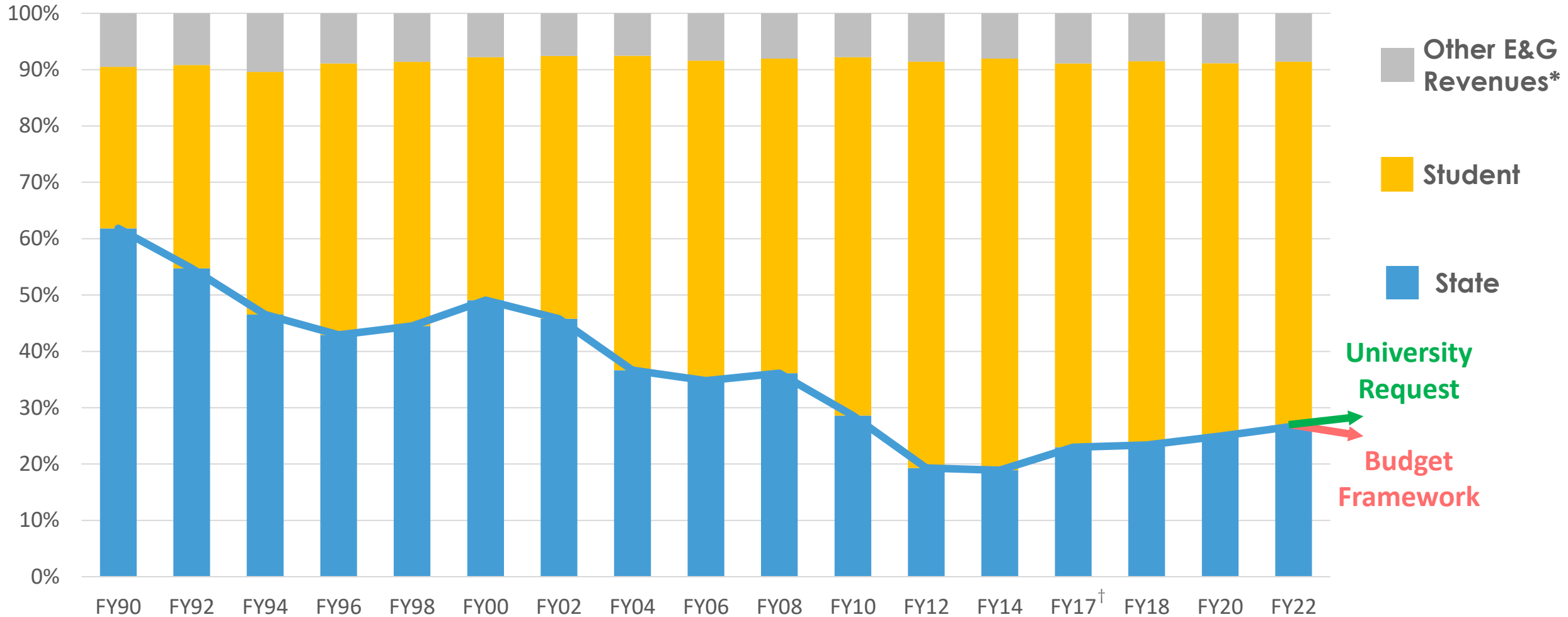
(Including state-appropriated General Fund and Lottery Funds only)



The Burden on Students

Public Universities Educational and General Operations

Who Has Paid Historically?



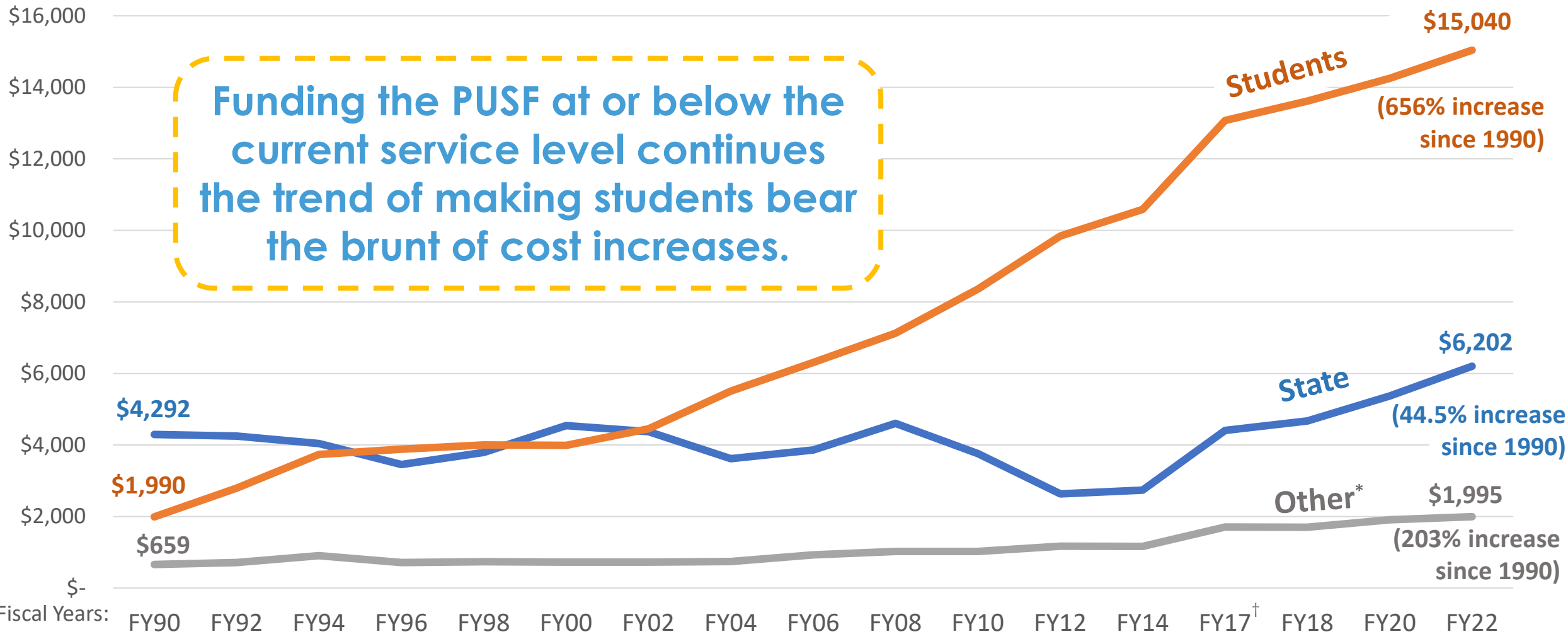
†FY17 used instead of FY16 due to limitations in data collection.

Sources: Oregon University System Fact Book; HECC E&G Survey

*Other E&G revenues include educational sales & service revenue, indirect cost recovery, interest and investment earnings, and all other Education and General revenue.

The Burden on Students

University Operating (E&G) Revenues per Full-Time Equivalent Student



Not adjusted for inflation

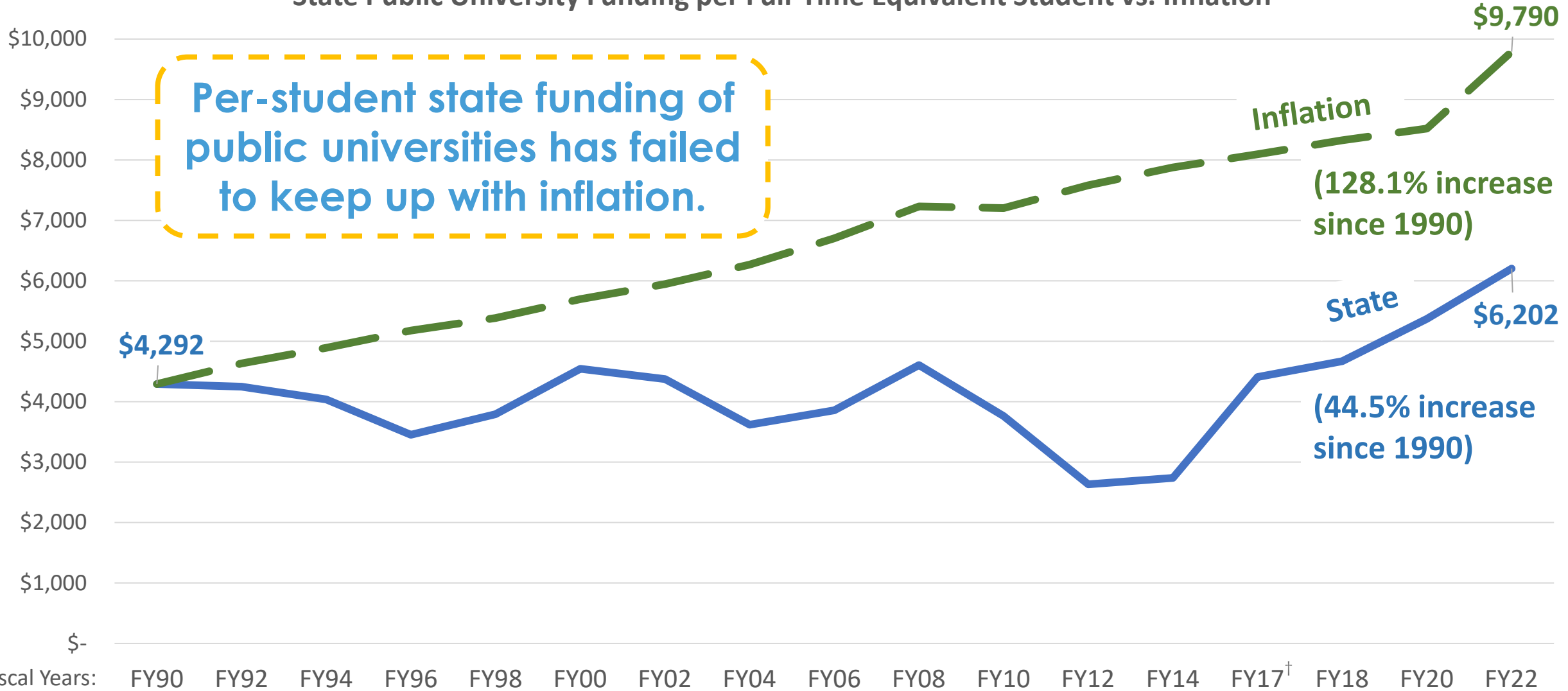
[†]FY17 used instead of FY16 due to limitations in data collection.

Sources: Oregon University System Fact Book; HECC E&G Survey

*Other E&G (Education and General) revenues include educational sales & service revenue, indirect cost recovery, interest and investment earnings, and all other E&G revenue.

The Burden on Students

State Public University Funding per Full-Time Equivalent Student vs. Inflation



Per-student state funding of public universities has failed to keep up with inflation.

Inflation
(128.1% increase since 1990)

State
(44.5% increase since 1990)

[†]FY17 used instead of FY16 due to limitations in data collection.

Sources: Oregon University System Fact Book; HECC E&G Survey; U.S. Bureau of Labor Statistics: CPI Inflation Calculator

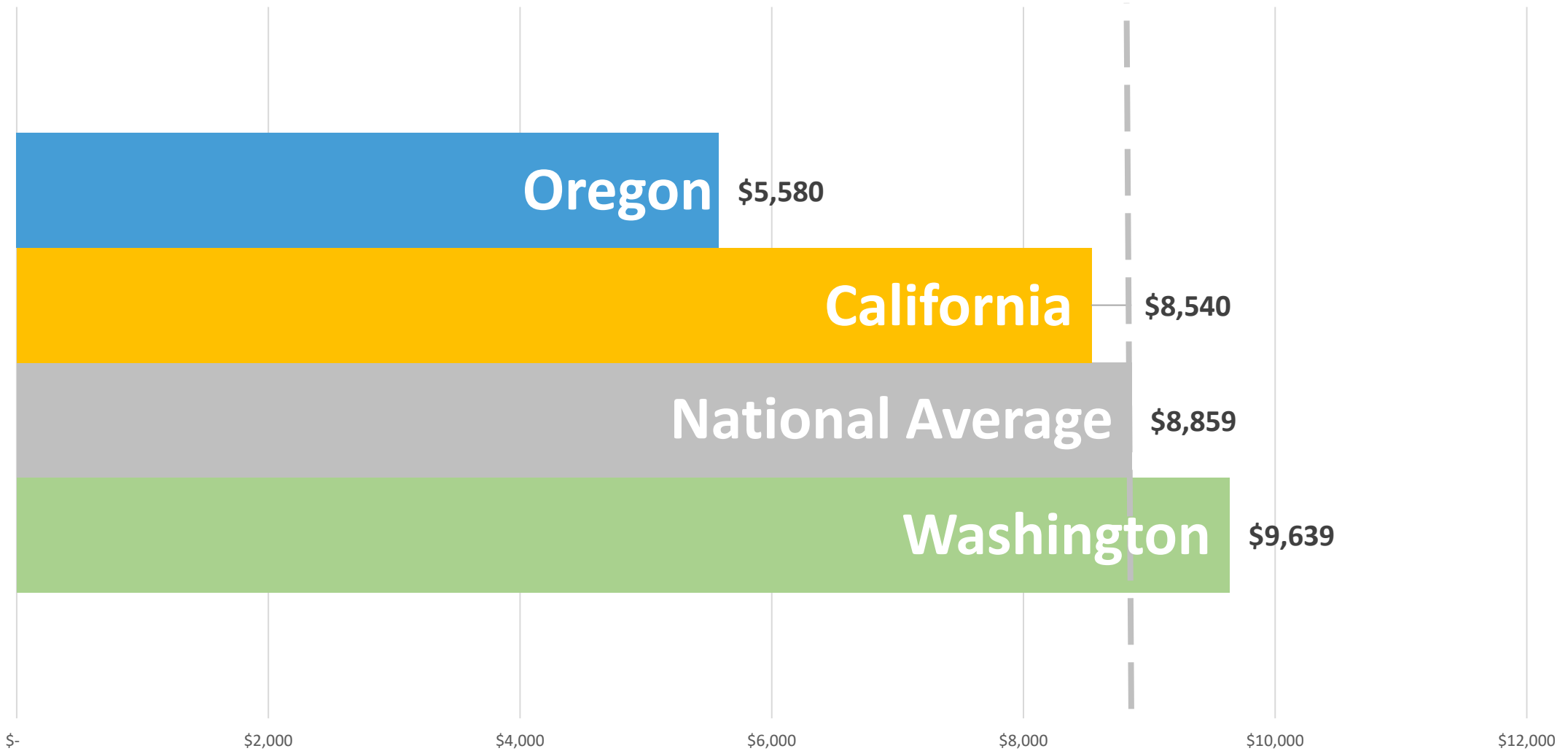
State funding not adjusted for inflation

Oregon is Falling Behind in Higher Education

Oregon spends much less on its public universities than other states, making a 4-year degree less affordable and impacting the financial stability of universities.

Oregon vs. Neighboring States

State Education Appropriations per Student FTE* at Public Universities

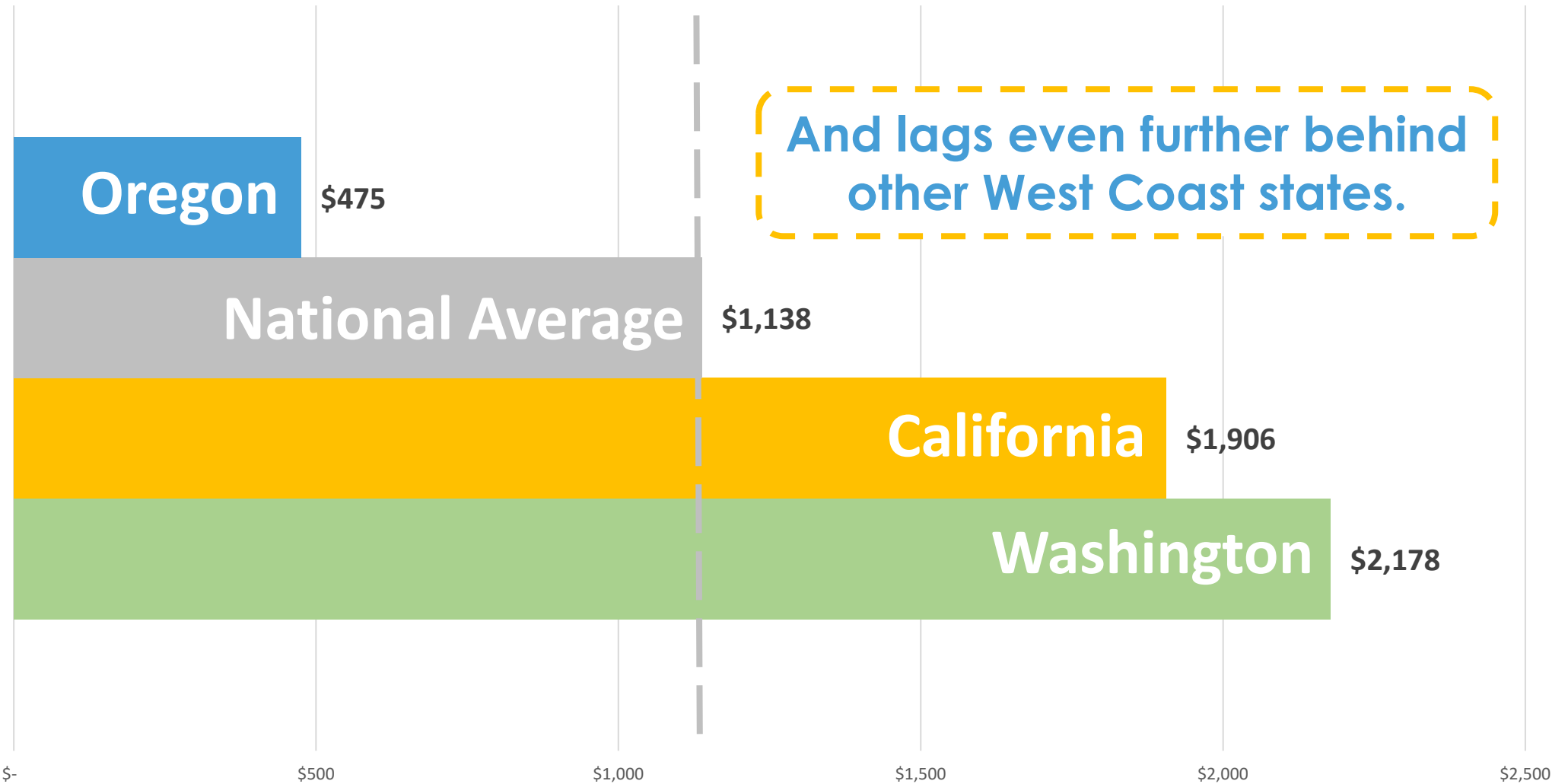


Source: State Higher Education Executive Officers Association: 2021 State Higher Education Finance Report; Table 3.2.

*Full-time equivalent student

Financial Aid

State Financial Aid per Student FTE at Public Universities



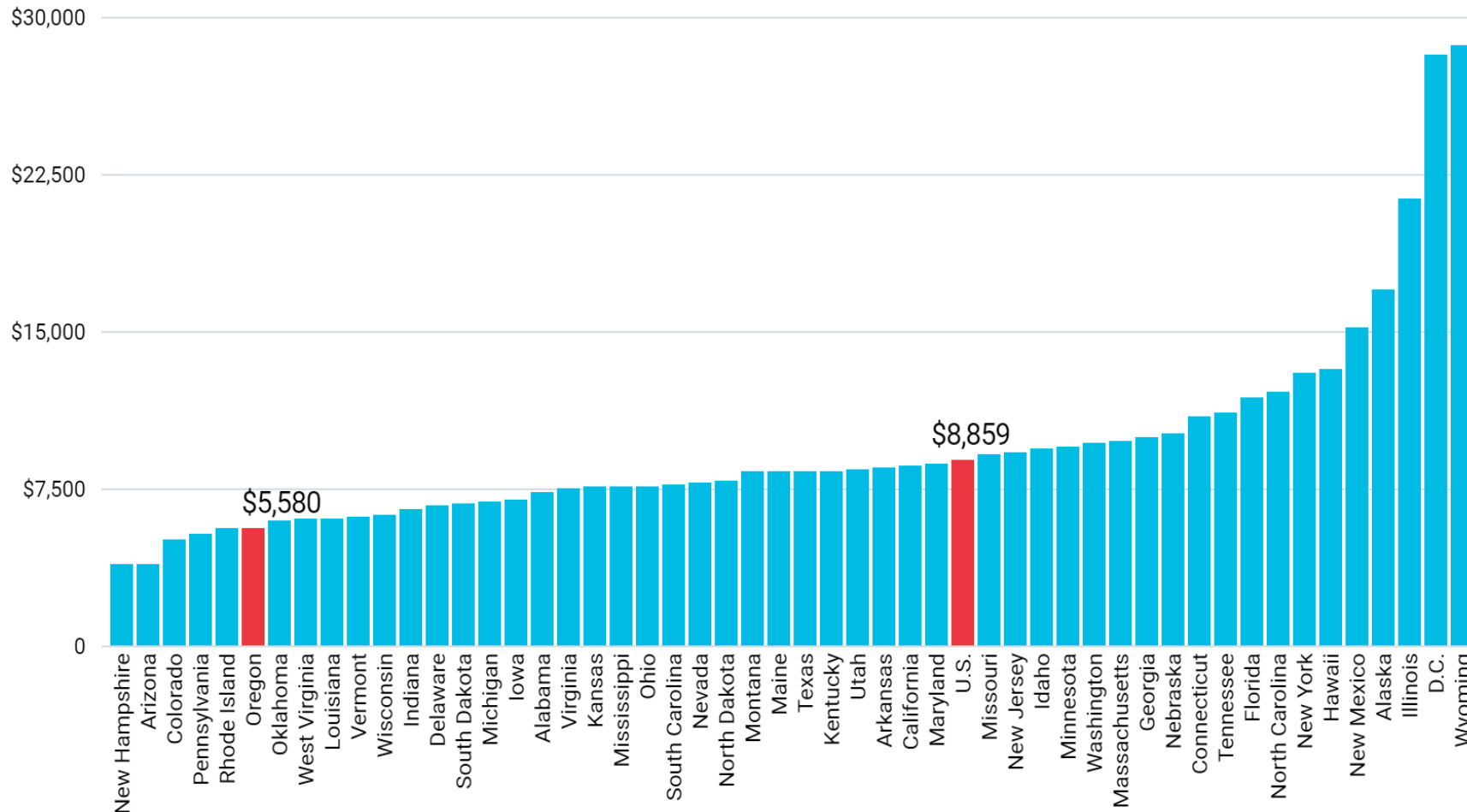
Doing More with Less: The Reality of University Budgets

Oregon's universities receive the national average for total revenue, but with lower state support, the financial burden falls on students.

Oregon vs. Other States

Public Higher Education Appropriations per FTE by State at Four-Year Institutions, FY 2021 (Adjusted)

Education Appropriations per FTE



Notes:

1. Education appropriations are a measure of state and local support available for public higher education operating expenses and student financial aid, excluding appropriations for research, hospitals, and medical education. Education appropriations include federal stimulus funding.
2. The U.S. calculation does not include the District of Columbia.
3. Constant 2021 dollars adjusted by the Higher Education Cost Adjustment (HECA).
4. Adjusted to account for interstate differences using the Cost of Living Index (COLI). The COLI is not a measure of inflation over time.
5. Sector is determined at the institution level using the Carnegie Basic Classification (<https://carnegieclassifications.iu.edu/>). Baccalaureate/Associate's Colleges and "less-than-two-year" degree-granting institutions not assigned a Carnegie classification are considered two-year institutions.

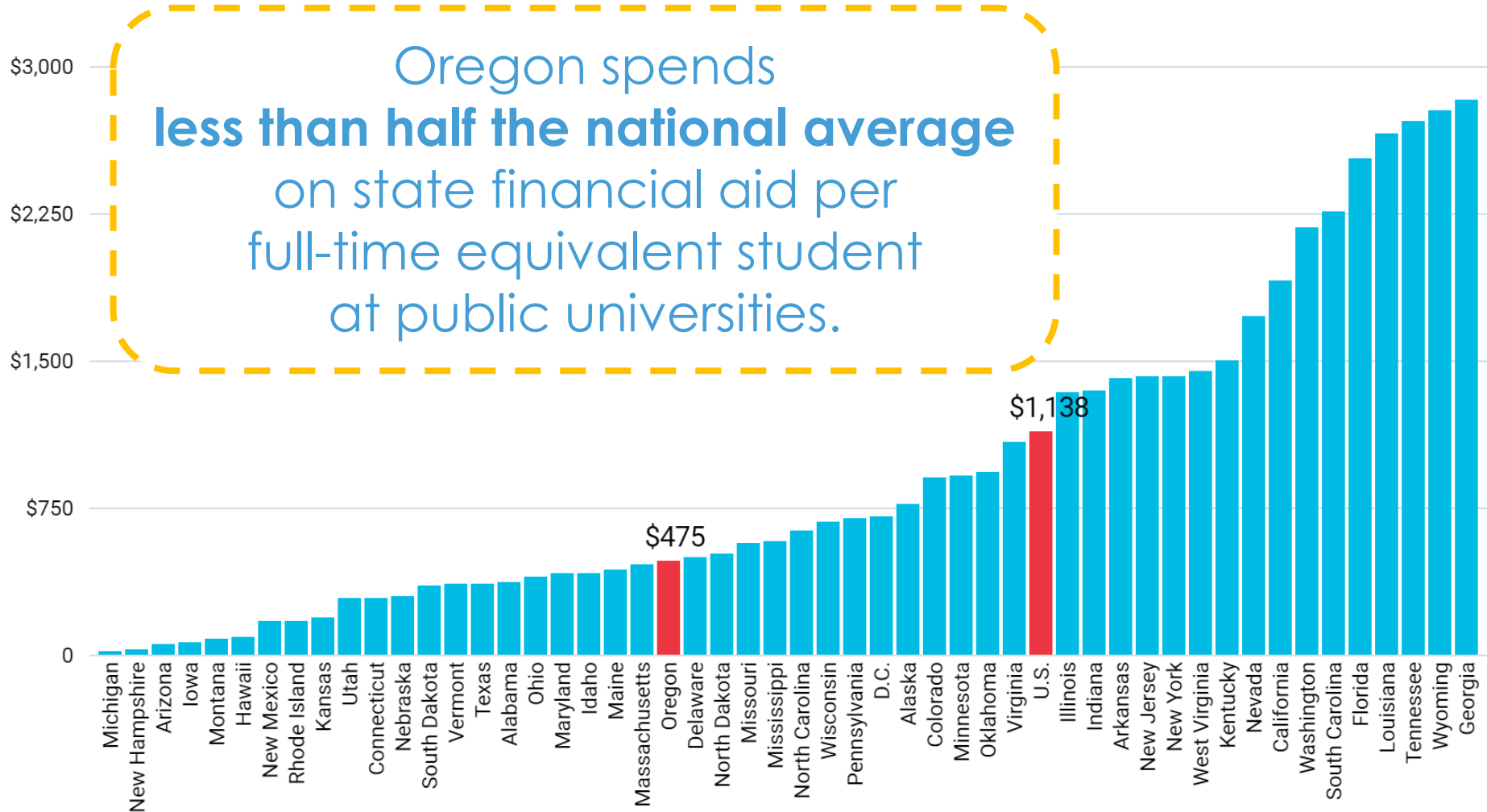
Source:

State Higher Education Officers Association, 2021 State Higher Education Funding Report

Financial Aid

Public Higher Education State Financial Aid per FTE by State at Four-Year Institutions, FY 2021

Public Financial Aid per FTE



Notes:

1. State public financial aid is any state appropriated student financial aid for public institutions, excluding loans and aid for students attending medical schools. For many states, it includes aid for both tuition costs and living expenses. In several states, financial aid may include unawarded funds that were reverted back to the state.
2. The U.S. calculation does not include the District of Columbia.
3. New Mexico was unable to provide complete financial aid data. Financial aid for fiscal year 2021 is missing non-reverting and lottery funds.
4. Constant 2021 dollars adjusted by the Higher Education Cost Adjustment (HECA).
5. Adjusted to account for interstate differences using the Cost of Living Index (COLI). The COLI is not a measure of inflation over time.
6. Sector is determined at the institution level using the Carnegie Basic Classification (<https://carnegieclassifications.iu.edu/>). Baccalaureate/Associate's Colleges and "less-than-two-year" degree-granting institutions not assigned a Carnegie classification are considered two-year institutions.

Source:

State Higher Education Officers Association, 2021 State Higher Education Funding Report

Balancing Student Tuition and State Mandates

Oregon's public universities pay the 7th highest fringe benefits rate in the U.S. Without adequate state funding, these costs are passed onto students.

Projected 2023-25 University Operating (Education and General) Expenses

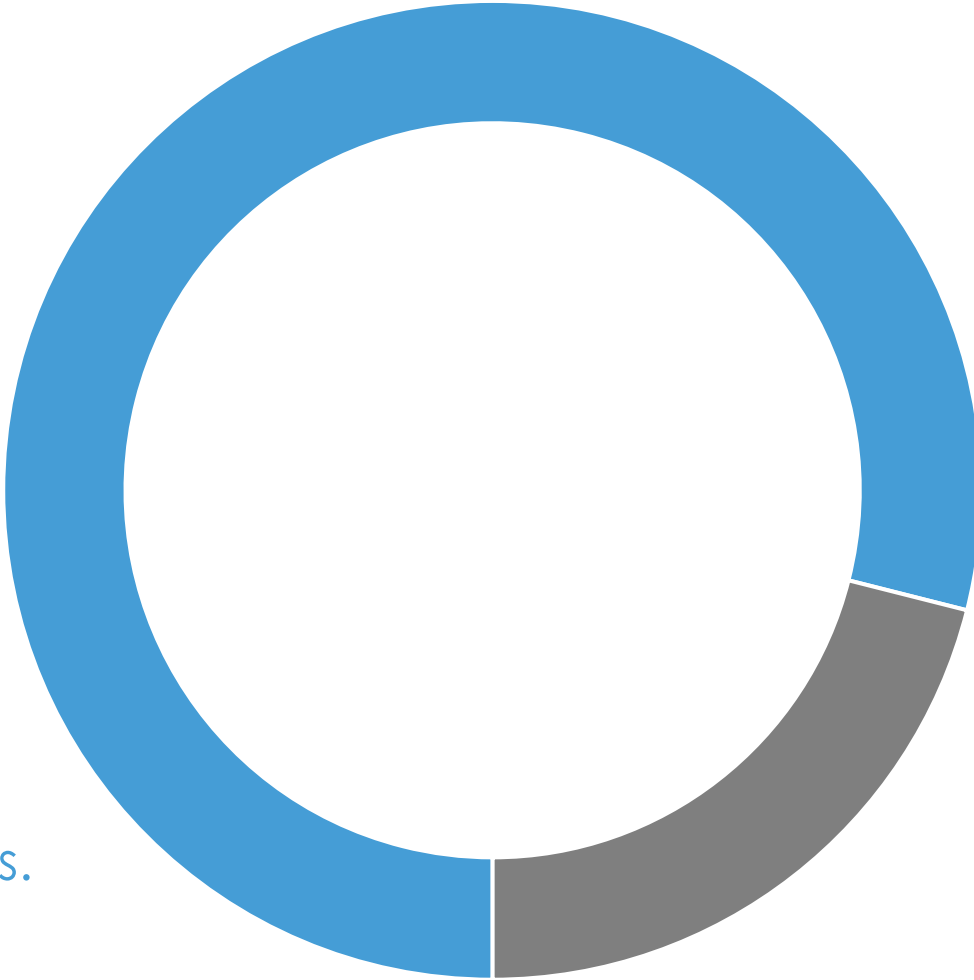
78.9%

Personnel Costs



Salary, pay, and benefits offered to employees, such as health care and retirement.

University employees provide quality education, essential research, and critical wraparound services.



21.1%

Services & Supplies, and Other Expenses



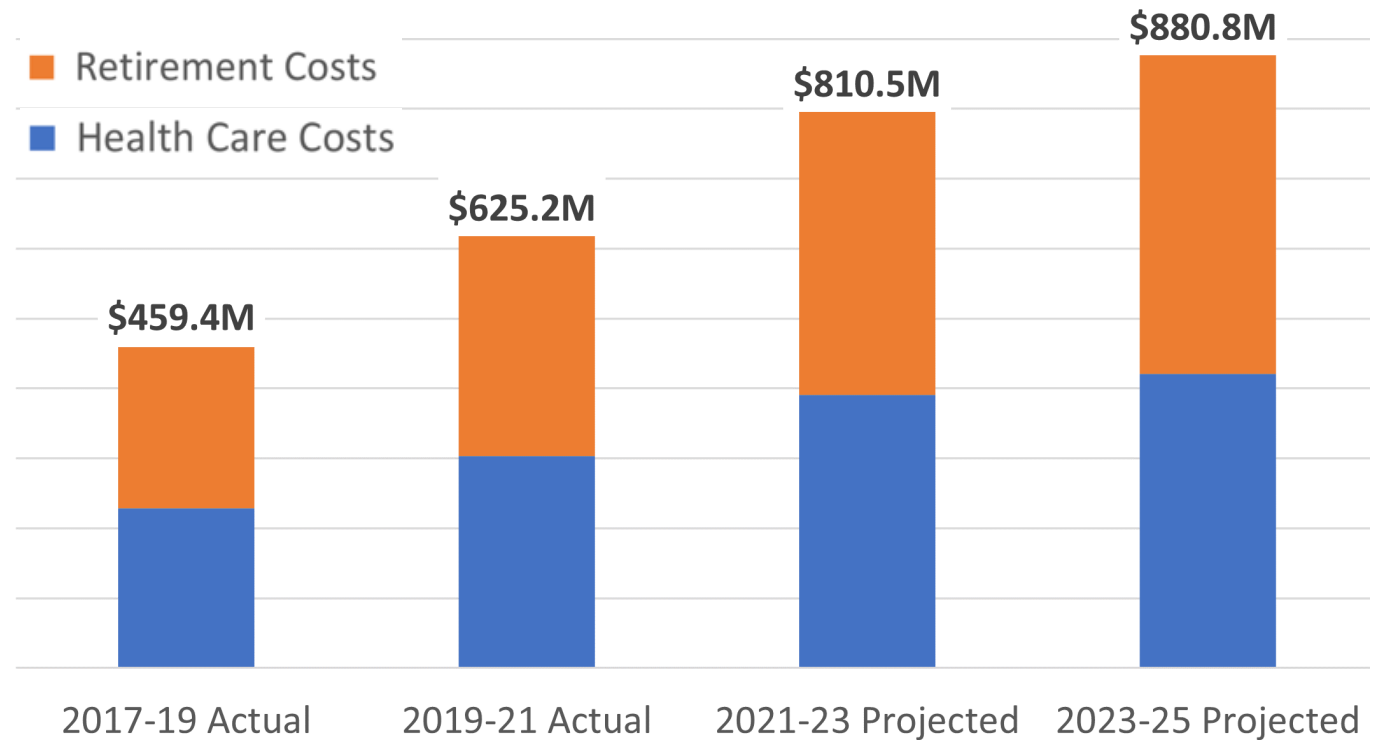
Other non-personnel education and general expenses associated with operating Oregon's seven public universities, such as utilities and insurance.

Cost Increases

University Investments & Cost Drivers

- Inflationary cost increases
- Expansion of student services and programs to improve college-going, retention, and completion rates for a more diverse student body
- Faculty and staff salary increases to remain competitive
- Increased cost of benefits, including PERS retirement and PEBB health benefits (see graph)
- Compliance with state and federal mandates

Public University Health & Retirement Costs per Biennium



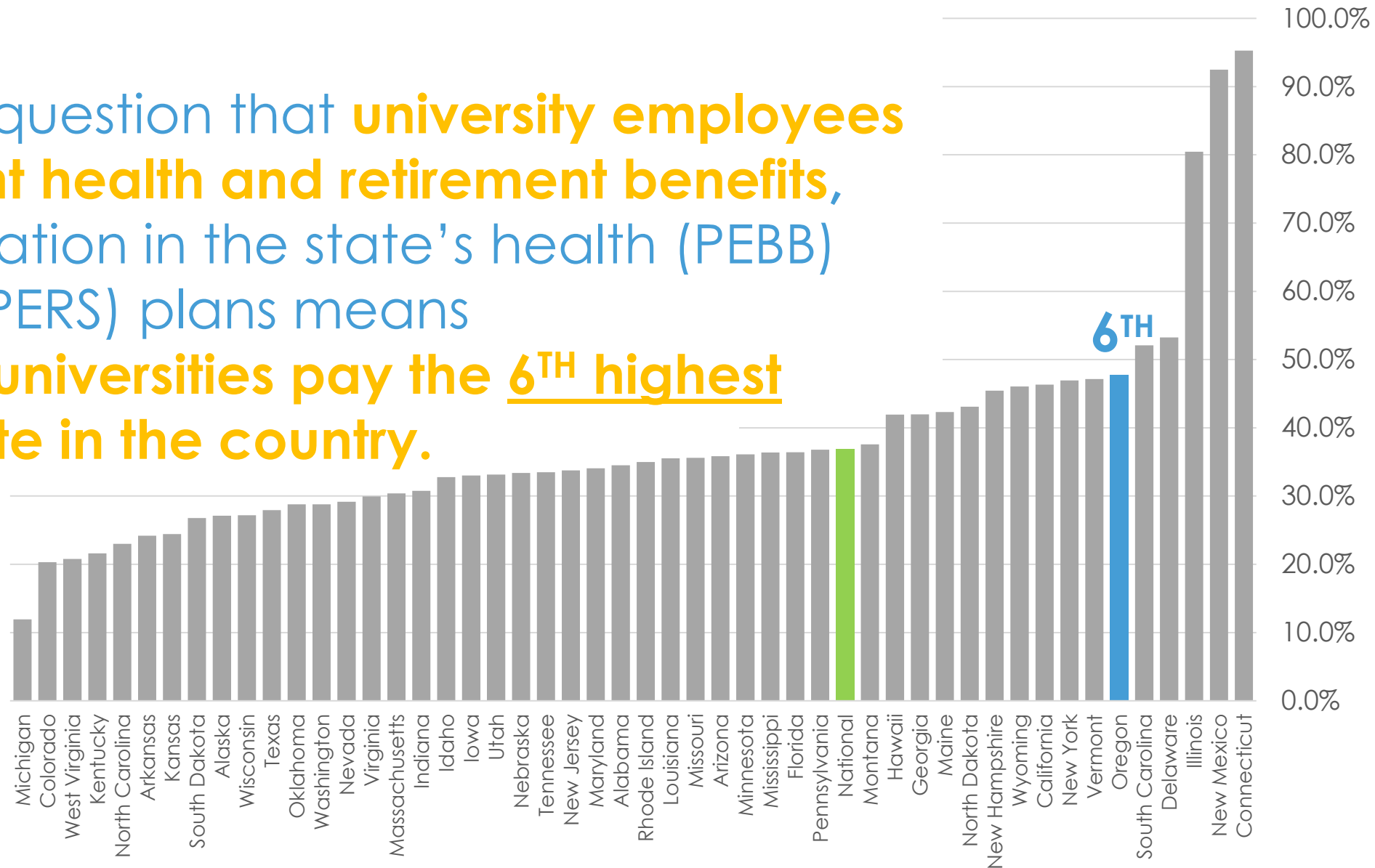
Source: University Survey

Health & retirement benefits alone are expected to add an additional **\$70 million** to university costs in 2023-25

Benefits Costs

Expenditures on Benefits as a Percent of Expenditures on Salaries and Wages, Public Four-Year Institutions FY2021

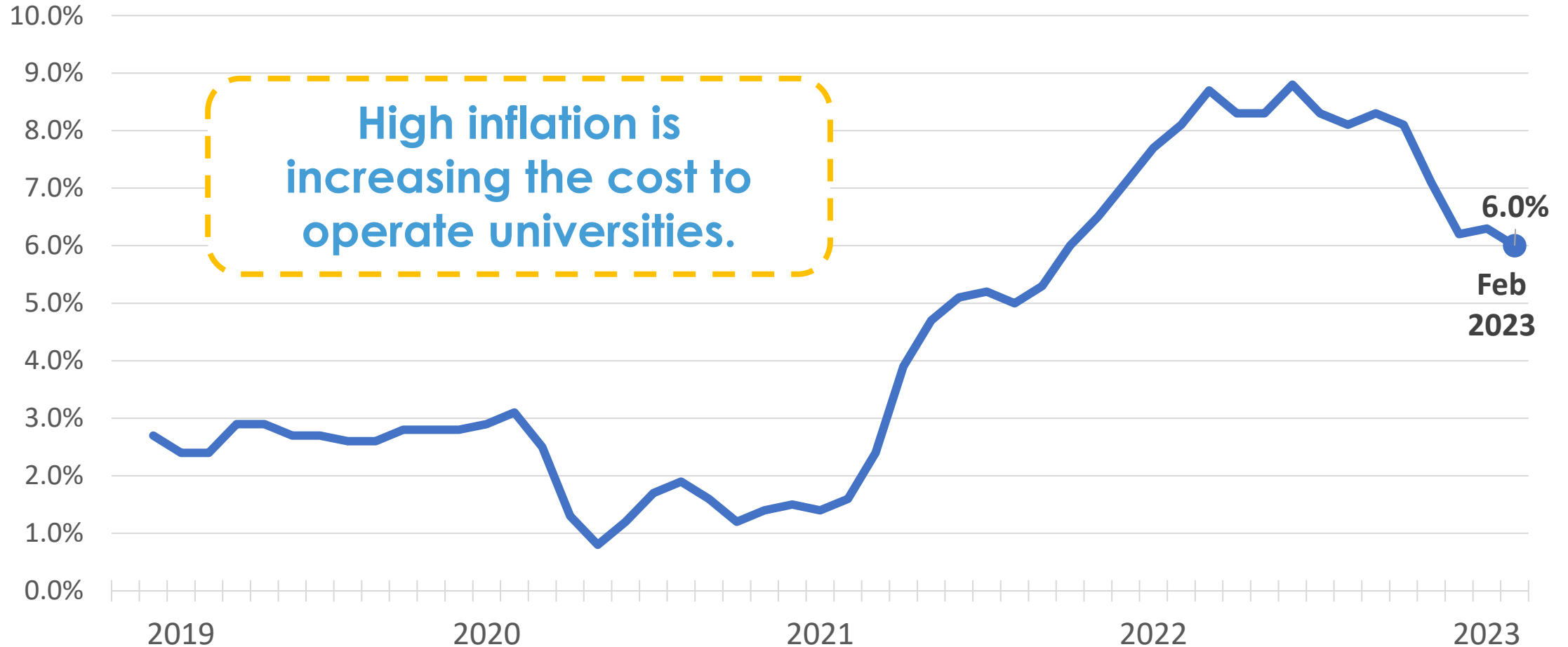
While there's no question that **university employees deserve excellent health and retirement benefits**, required participation in the state's health (PEBB) and retirement (PERS) plans means **Oregon's public universities pay the 6TH highest fringe benefits rate in the country.**



Source: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), 2021, Total expenses and deductions - Employee fringe benefits, Total expenses and deductions - Salaries and wages. Retrieved from <https://nces.ed.gov/ipeds/datacenter/Statistics.aspx> on April 5, 2023.

Costs Increasing

Over-the-Year Percent Change in the Consumer Price Index (CPI),
West Region for All Urban Consumers



Source: U.S. Bureau of Labor Statistics, West region CPI-U 1-month and 12-month percent changes, all items index, not seasonally adjusted

Tuition Setting

 Oregon's public universities strive to keep tuition increases low to make higher education more affordable for all students. 

Inflation, regular cost increases, and expanded programs and services to meet the growing needs of students have increased operational costs for universities while state funding remains low.

ORS 352.102 requires that tuition setting at each public university includes robust conversations with students and faculty. Boards must consider recommendations from tuition and fee advisory bodies that include a minimum of:

- 2 administrators;
- 2 faculty members;
- 2 students representing the student government; and
- 2 students representing historically underserved students.

Accountability for Public Funds

Governing Boards

Each university is governed by Boards of Trustees that are Governor-appointed and legislatively-confirmed. Students, faculty, staff, and at-large members serve as trustees who are fiduciaries that provide transparency and public accountability as well as a close focus upon each university in order to provide greater access and affordability. More information is included in ORS 352.025.

Institutional Evaluations

The Higher Education Coordinating Commission is statutorily required to evaluate each public university and report on the achievement of outcomes and measures of progress toward state goals. More information is included in ORS 352.061.

Mandates

Oregon's public universities are required to comply with over 177 state mandates and nearly 300 federal mandates, such as reporting requirements and participation in the state's retirement program. More information is included in the December 2022 [Public University Report on ORS 352.069](#).